

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, July 26, 2000

MODERNIZATION PLANS AND SPECIFICATIONS CERTIFICATION

PURPOSE OF REPORT

- To present a proposal to discontinue acceptance of School Facility Program (SFP) modernization funding applications that do not contain approval of the project plans and specifications by the Division of the State Architect (DSA), and,
- To request authorization to prepare revised regulations regarding requirements for a complete application for SFP modernization funding.

BACKGROUND

Current law provides that ". . . the board shall apportion funds to an eligible school district only upon approval of the project by the Department of General Services . . ." This approval is provided by the DSA, which has regulations concerning which school construction and modernization projects must have a complete DSA review and which are exempted. In general, exempted projects are those that are very small in cost, have a replacement in kind of certain systems such as electrical, or are non-structural in nature. Current SAB regulations permit the Office of Public School Construction (OPSC) to accept a certification from the project architect that DSA approval is not required when that is the case and to process the application for funding approval.

At the July 5, 2000 meeting, the OPSC presented the SAB with several concerns that were developing in the school community and other arenas related to the current regulations. These included matters such as equity in the application process, appropriate uses of modernization funds, and access compliance efforts related to modernization projects. At that time the SAB directed staff to do the following:

1. Continue to accept applications for modernization funding under the current regulations and administrative processes, but discontinue processing those applications to the SAB for placement on an "unfunded" list.
2. Review the current regulations and administrative processes and to make recommendations for change where necessary.
3. Advise all districts with currently "unfunded" applications on file, and all districts which submit applications during this interim period of review, that although their applications have been accepted, they will be processed to the SAB only after this review is complete and only under regulations and administrative processes as amended.

DESCRIPTION

The OPSC presented the issues as outlined in the July 5, 2000 SAB agenda item to the SAB Implementation Committee on July 6 and again at a special meeting of the Committee on July 11, 2000. The consensus of the Committee is that the SAB should require all projects receiving funding under the SFP should be approved by the DSA. In general, it was agreed that projects that are exempt from DSA review are primarily routine maintenance or repair, and, as such, should be funded from deferred maintenance sources, not the modernization program. In addition, requiring all projects to be reviewed and approved by DSA ensures that access compliance reviews also take place. Finally, the DSA review requirement means that all applications must complete the same process in order to be eligible for funding, thus addressing the equity issue.

DESCRIPTION (cont.)

The OPSC is prepared to begin the preparation of regulations which make the DSA approval a requirement of funding. The proposed regulations would be reviewed with the Implementation Committee prior to presentation to the SAB at the August 23, 2000 meeting. At that time the OPSC will also discuss the disposition of projects currently on file with OPSC but which do not have DSA approval. Recommendations for those projects will also be a part of the regulations presented to the SAB in August.

Finally, to avoid further issues regarding non-DSA approved projects that might otherwise be filed between this date and the adoption of final regulations, direct the OPSC to cease acceptance of any modernization application which does not have a review and approval by the DSA.

RECOMMENDATIONS

1. Direct staff to prepare amendments to the current regulations and administrative processes which require review and approval from the DSA on all modernization funding applications under the SFP.
2. Direct staff to continue to accept applications for modernization funding only if the plans and specifications for all the work in the applications have been reviewed and approved by the DSA and the California Department of Education.
3. Affirm the July 5, 2000 SAB action that complete SFP modernization funding applications on file with the OPSC shall be maintained in the order of the date received, but they will not be processed to the SAB pending the outcome of these revised regulations and administrative processes.
4. Direct staff to develop a modernization funding plan to present to the SAB with these proposed regulations.

BOARD ACTION

This Item was approved by the State Allocation Board on July 26, 2000.